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ROBINSON MCFADDEN
ATTORNEYS AND COUNSELORS AT LAW

ROBINSON, MCFADDEN & MOORE, P.C.

COLUMBIA | GREENVILLE

June 21, 2005

HAND DELIVERED

Mr. Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, SC 29210

Bonnie D. Shealy
1901 MAIN STREET, SUITE 1200
POST OFFICE BOX 944
COLUMBIA, SOUTH CAROLINA 29202

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(803) 252-0724 | (803) 744-1551 *direct*

bshealy@robinsonlaw.com

2005-189-C

**Re: Acceris Management and Acquisition, LLC
Application for Interexchange Authority and to Purchase Assets
Our File No. 30053-0001**

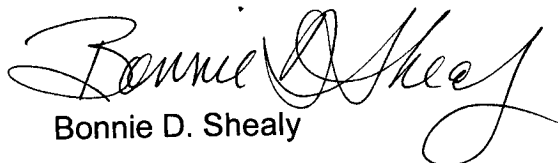
Dear Mr. Terreni:

Enclosed for filing please find the Application of Acceris Management and Acquisition LLC for a certificate of public convenience and necessity to provide interexchange telephone services within the State of South Carolina and for authority to acquire certain assets of Acceris Communications Corp. The company is also requesting modified alternative regulation of its interexchange business, consumer card, and operator service offerings. Please date-stamp the extra copies of the Application as proof of filing and return them with our courier.

If you have any questions, please have someone on your staff contact me.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.


Bonnie D. Shealy

/bds

Enclosures

cc/enc:

Dan F. Arnett, Chief of Staff of ORS (via hand delivery)
Florence Belser, General Counsel ORS (via email & U.S. Mail)
Patrick D. Crocker, Esquire (via email & U.S. Mail)
Ms. Paula Schneider (via email & U.S. Mail)
Lance J.M. Steinhart, Esquire (via U.S. Mail)
Ms. Laura Carlson (via U.S. Mail)

Before the
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No.

In re: Application of)
Acceris Management and Acquisition LLC)
For a Certificate of Public Convenience)
And Necessity to Provide Interexchange)
Telecommunications Services, for)
Alternative Regulation, and for Authority)
to Acquire Certain Assets of)
Acceris Communications Corp.)

Acceris Management and Acquisition LLC ("ACCERIS" or "Applicant") hereby submits its application for a Certificate of Public Convenience and Necessity to resell intrastate interexchange telecommunications services and for authority to acquire certain assets, including, but not limited to, the subscriber base of Acceris Communications Corp. ("ACC" or "Seller" and collectively with ACCERIS, "the Parties") and to grant such relief on an expedited basis to allow for the consummation of the transaction without undue delay. This filing is made pursuant to S.C. Code Sections 58-9-280, 58-9-310, and the rules and regulations of the Public Service Commission of South Carolina ("Commission"). In addition, ACCERIS requests that the Commission regulate its long distance business services, consumer card services, private line services, and operator assisted service offerings in accordance with the principles and procedures established for alternative regulations in Orders Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Order No. 2001-997 in Docket No. 2000-407-C. Expeditious approval of this Application will allow ACCERIS to promptly assume responsibility for the provision of long distance services to the South Carolina customers to be transferred, and thereby more speedily bring to South Carolina consumers the benefits that will inure from

permitting ACCERIS to acquire these accounts. Applicants therefore respectfully request that approval of this Application be granted on an expedited basis and not later than July 30, 2005.

Pursuant to an Asset Purchase Agreement, by and among ACCERIS, North Central Equity LLC (the Buyer's Guarantor, hereinafter "NCE"), Acceris Communications Inc., its wholly owned subsidiary ACC, and majority stockholder Counsel Corporation, ACC will sell, transfer, and otherwise convey, and ACCERIS will purchase and acquire the assets, and assume certain liabilities of ACC's telecommunications business. In the State of South Carolina, the acquired assets will include long distance customers, however, ACC has no local customers in the State of South Carolina.

For the reasons set forth below, the Parties request the Commission grant such approval immediately. ACCERIS and ACC provide the following in support of this request:

I. THE PARTIES

A. Acceris Management and Acquisition LLC

ACCERIS is a limited liability company organized under the laws of the State of Minnesota and is a wholly owned subsidiary of NCE. A copy of ACCERIS' Certificate of Organization is attached as **Exhibit A**. ACCERIS' is in the process of obtaining its authority to transact business within the State of South Carolina as a foreign corporation. A copy of the certificate will be provided as **Exhibit B** as soon as it is available. NCE is a privately owned holding company with experience in the telecommunications industry. ACCERIS is not currently authorized to provide telecommunications services in any jurisdiction, but is in the process of obtaining authority to provide interexchange and/or local exchange telecommunications services throughout the United States.

The principal office of ACCERIS is located at:

60 South Sixth Street, Suite 2535
Minneapolis, MN 55402
Telephone: (612) 465-0260
Facsimile: (612) 455-1022

Correspondence of communications regarding this application should be addressed for

ACCERIS to:

Bonnie D. Shealy, Esquire
Robinson McFadden & Moore, P.C.
1901 Main Street, Suite 1200
Post Office Box 944
Columbia, SC 29202
Telephone: (803) 779-8900
Facsimile: (803) 252-0724
Bshealy@robinsonlaw.com

and

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, MI 49007
Telephone: (269) 381-8844
Facsimile: (269) 381-8822
E-mail: pcrocker@earlylennon.com

B. Acceris Communications Corp.

ACC is a corporation organized under the laws of the State of Delaware. ACC is authorized under Section 214 of the Communications Act of 1934, as amended, to provide, and is currently providing domestic interstate and international telecommunications service throughout the United States. ACC also has authority to provide, and is currently providing, intrastate, interexchange telecommunications services in the contiguous 48 states, Hawaii and the District of Columbia. For the State of South Carolina, see Docket No. 2004-37-C. ACC is also authorized to provide competitive local exchange services in Alabama, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Washington, and West Virginia. ACC is currently providing such service in Florida, Massachusetts, New Jersey, New York, and Pennsylvania.

The principal office of ACC is located at:

1001 Brinton Road
Pittsburgh, PA 15221
Telephone: 412-244-2100

The designated representative for ACC for purposes of this application is

Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
1720 Windward Concourse
Suite 250
Alpharetta, GA 30005
Telephone: (770) 232-9200
Facsimile: (678) 775-1194
E-mail: lsteinhart@telecomcounsel.com

II. CERTIFICATION APPLICATION

A. Description of Authority Requested

1. Applicant seeks authority to operate as a reseller of inter- and intraexchange intrastate telecommunications services to the public on a statewide basis. Applicant seeks authority to offer a full range of "1+" interexchange telecommunications services on a resale basis. Specifically, Applicant seeks authority to provide MTS, out-WATS, in-WATS and calling card services.
2. Applicant does not intend to provide 900 or 700 services.
3. Applicant owns no transmission facilities. Applicant will offer service to its subscribers using facilities of the communications network of MCI, AT&T, Sprint, Global Crossing or other facilities-based IXC's, and the local exchange telephone companies ("LECs").
4. Applicant has no plans at this time to construct any telecommunications transmission facilities of its own and seeks no construction authority by means of this Application. Applicant will operate exclusively as a reseller.
5. Applicant will abide by all rules governing telecommunications resellers that the Commission has promulgated or may promulgate in the future, unless application of such rules is specifically waived by the Commission.

B. Proposed Services

6. Applicant provides telecommunications services to residential and business users. Applicant combines high quality transmission services with very competitive rates, flexible end user billing, professional customer service and excellent reporting to create a unique blend that meets the individualized needs of such customers.

7. Applicant intends to engage in "switchless" resale. Applicant will arrange for the traffic of underlying subscribers to be routed directly over the networks of Applicant's network providers.

8. Applicant is committed to the use of ethical sales practices. All distributors of its products must commit in writing to market Applicant's services in a professional manner, and to fairly and accurately portray Applicant's services and the charges for them.

C. Description and Fitness of Applicant

9. Applicant's members have extensive managerial, financial and technical experience with which to execute the business plan described herein. In support of Applicant's managerial and technical ability to provide the services for which authority is sought herein Applicant submits a description of the background and experience of its current management team as **Exhibit C**. In support of Applicant's financial ability to provide the services contemplated herein, Applicant attaches recent financials as **Exhibit D**.

D. Public Interest Considerations

10. Applicant's entry into the South Carolina marketplace is in the public interest because Applicant intends to make a uniquely attractive blend of service quality, network management and reporting, and low rates available.

11. In addition to the direct benefits delivered to the public by its services, Applicant's entry into the South Carolina marketplace will benefit the public indirectly by increasing

the competitive pressure felt by existing IXCs, spurring them to lower costs and improve services in response.

E. Alternative Regulatory Treatment

12. Applicant is a non-dominant reseller of interexchange telecommunications services. Applicant requests to be regulated by the Commission in the same relaxed fashion extended to other, similarly situated resellers. In Docket No. 95-661-C in response to a Petition for Alternative Regulation by AT&T Communications of the Southern States, this Commission determined that there was sufficient competition in the market for interexchange telecommunication services to justify a relation in the manner in which AT&T was regulated. Applicant submits that as a competitor of AT&T in the market for providing telecommunication services to customers it should be subject to no regulatory constraints greater than those imposed on AT&T. Applicant requests that its long distance business services, consumer card services, and operator service offerings be regulated under this form of relaxed regulation.

In Commission Order 2001-997 the Commission imposed a maximum cap of \$1.75 for operator surcharges and a cap of \$0.35 related to the flat per-minute rate associated with operator-assisted calls where a consumer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as their toll provider.

Both because of the level of competition found by the Commission in Docket No. 95-661-C and because of the Commission's decision to permit AT&T greater rate flexibility, Applicant submits that it is critical to the continued development of a competitive market for telecommunication services that the relaxation of regulation described in Orders No 95-1734 and 96-55 as modified by Order No. 2001-997 be applied to these service offerings.

F. Initial Proposed Tariff

13. Applicant proposes to offer service pursuant to the rules, regulations, rates and other terms and conditions included in Applicant's initial proposed tariff which is attached hereto as **Exhibit E**. Billing, payment, credit, deposit and collection terms are set forth in Applicant's proposed tariff.

G. Waivers

14. Applicant requests a waiver of the Commission's requirement under 26 S.C. Regs. 103-610 to keep its books and records in the State of South Carolina. It would present a hardship upon the company to maintain a separate set of books in South Carolina since the company's headquarters are located in Minnesota. The company will have a registered agent located within the state and understands that it will bear any costs associated with the Commission's inspection of its books and records.

15. Applicant also requests a waiver of any Commission policy that would require it to maintain its books under the Uniform System of Accounts ("USOA") method. The company currently uses Generally Accepted Accounting Principals ("GAAP") to maintain its books. Therefore, it would create a hardship to maintain a separate accounting system.

III. THE ASSET PURCHASE

16. Pursuant to an Asset Purchase Agreement executed May 19, 2005, ACC has agreed to sell to ACCERIS, and ACCERIS has agreed to purchase all telecommunications assets and operations of ACC, including but not limited to: (1) all PUC/PSC/FCC licenses, CPCNs and tariffs authorizing Seller to provide telecommunications services in all relevant states to the extent assignable or transferable; and (2) the customer base as of the Closing Date. A copy of the Asset Purchase Agreement is attached hereto as **Exhibit F**.

17. The transaction contemplated by the Asset Purchase Agreement will serve the public interest by enabling ACCERIS to achieve increased economies of scale. The addition of the Buyer's management team will enable ACC to become a successful competitor in the telecommunications marketplace. More effective competition will ultimately lead to lower prices and the availability of more products and services to the public. The acquisition of the ACC customer base by ACCERIS will enable these subscribers to continue to receive high-quality telecommunications service at affordable rates without interruption.

18. Upon approval of this transaction, ACCERIS will provide notice to ACC Customers in accordance with all applicable state and federal rules and regulations, and assure such customers of the Buyer's commitment to continue the provision of high quality, affordable services pursuant to the company's filed tariff. Specifically, customers will continue to receive the high quality, affordable telecommunications services that they presently receive. **ACCERIS is requesting permission, if applicable, to transfer ACC's authorization. ACC will relinquish its operating authority and ACCERIS will file a tariff to establish rates, terms, and conditions identical to those in the Seller's tariff, thus providing a seamless transition for existing customers of ACC.** As such, the transaction will not cause inconvenience or confusion to ACC customers. Indeed, the transaction will be virtually transparent to ACC customers in terms of the services that they receive. A copy of the sample notice of the transfer appears as **Exhibit G** attached hereto.

19. ACCERIS certifies that it has the necessary managerial, technical and financial resources to provide the public with quality telecommunications service throughout the state. After the consummation of the transaction, ACCERIS will be lead by a team of well-qualified managers comprised of its existing personnel. ACCERIS expects that the ample managerial, technical and financial expertise of this managerial team will enable ACCERIS to provide high quality service to ACC customers as well as to expand its customer base. The proposed

acquisition will therefore promote competition in the South Carolina telecommunications services market and serve the public interest.

WHEREFORE, ACCERIS and ACC respectfully request that the Commission grant it a certificate of public convenience and necessity to provide interexchange telecommunications services, allow it to be alternatively regulated, and authorize the sale of assets from ACC to ACCERIS as described herein. In addition, the Parties respectfully request expedited processing of this Joint Petition so that the transaction may proceed without undue delay, and that the Commission grant such other relief deemed necessary or proper.

Respectfully submitted,

ACCERIS MANAGEMENT AND ACQUISITION LLC

Dated: June 21, 2005

By:



Bonnie Shealy
Robinson, McFadden & Moore, P.C.
PO Box 944
Columbia, SC 29202
Telephone (803) 779-8900
Facsimile (803) 252-0724
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Its: Local Counsel

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, MI 49007-4752
(616) 381-8844
Its: Attorneys

EXHIBIT A

Articles of Organization

State of Minnesota

SECRETARY OF STATE

Certificate of Organization

I, Mary Kiffmeyer, Secretary of State of Minnesota, do certify that: Articles of Organization, duly signed, have been filed on this date in the Office of the Secretary of State, for the organization of the following limited liability company, under and in accordance with the provisions of the chapter of Minnesota Statutes listed below.

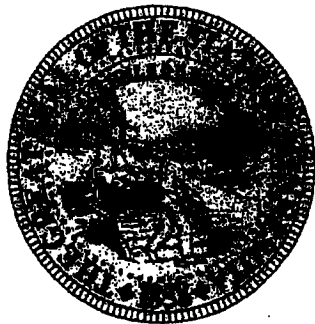
This limited liability company is now legally organized under the laws of Minnesota.

Name: Acceris Management and Acquisition LLC

Charter Number: 1353712-2

Chapter Formed Under: 322B

This certificate has been issued on 05/10/2005.



Mary Kiffmeyer
Secretary of State.

LLC OR



**ARTICLES OF ORGANIZATION
OF
ACCERIS MANAGEMENT AND ACQUISITION LLC**

The undersigned, being of full age and for the purpose of forming a limited liability company for general business purposes under Chapter 322B of the Minnesota Statutes, does hereby adopt the following Articles of Organization:

**Article 1
Name**

The name of this limited liability company is Acceris Management and Acquisition LLC.

**Article 2
Registered Office**

The address of the registered office of this limited liability company is

60 South Sixth Street
Suite 2535
Minneapolis, MN 55402

**Article 3
Period of Existence**

Unless dissolved earlier in accordance with law, the period of existence of this limited liability company shall be perpetual.

**Article 4
Organizer**

The name and address of the sole organizer of this limited liability company are

Christopher A. Carlisle
Gray, Plant, Mooty, Mooty & Bennett, P.A.
500 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402

**Article 5
Preemptive Rights Prohibition**

The members of this limited liability company shall have no preemptive rights as described in Minnesota Statutes Section 322B.33 or any successor thereto.

Article 6
Cumulative Voting

The members of this limited liability company shall have no rights of cumulative voting as described in Minnesota Statutes Section 322B.63 or any successor thereto.

Article 7
Limitation of Liability of Governors

A governor of this limited liability company shall not be personally liable to this limited liability company or its members for monetary damages for breach of fiduciary duty as a governor, except for liability (i) based on a breach of the governor's duty of loyalty to this limited liability company or its members; (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) under Section 322B.56 or Section 80A.23 of the Minnesota Statutes; or (iv) for any transaction from which such governor derived an improper personal benefit. If Chapter 322B of the Minnesota Statutes is hereafter amended to authorize the further elimination or limitation of the liability of governors, then the liability of a governor of this limited liability company, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by Chapter 322B of the Minnesota Statutes, as amended. Any repeal or modification of this Article by the members of this limited liability company shall be prospective only and shall not adversely affect any limitation on the personal liability of a governor of this limited liability company existing at the time of such repeal or modification.

Article 8
Actions by Written Consent

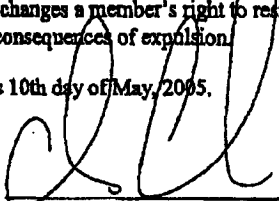
Any action which is required or permitted to be taken by the governors of this limited liability company at a meeting and which does not require the approval of the members may be taken by written action signed by the number of governors that would be required to take the same action at a meeting at which all governors were present. However, if the action is one which must be approved by the members, such action may be taken only by written action signed by all of the governors then in office. Any action required or permitted to be taken at a meeting of the members may be taken by written action signed by members who possess the voting power that would be required to take the same action at a meeting of the members at which all members were present.

Article 9
Dissenters' Rights Prohibition

Pursuant to Minnesota Statutes Section 322B.383, subdivision 1(1) (or similar provisions of future law), a member shall have no right to dissent from, and obtain payment for the fair value of the member's membership interest in the event of an amendment of the articles of organization which materially and adversely affects the rights or preferences of the membership interests of the dissenting member in that it: (i) alters or abolishes a preferential right of the membership interests; (ii) creates, alters, or abolishes a right in respect of the redemption of the

membership interests, including a provision respecting a sinking fund for the redemption or repurchase of the membership interests; (iii) alters or abolishes a preemptive right of the owner of the membership interests to make a contribution; (iv) excludes or limits the right of a member to vote on a matter or to cumulate votes; (v) changes a member's right to resign or retire; or (vi) establishes or changes the conditions for or consequences of expulsion.

The undersigned has set his hand this 10th day of May, 2005.


Christopher A. Carlisle
Organizer

GP-1710865 v1

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

MAY 10 2005


Secretary of State

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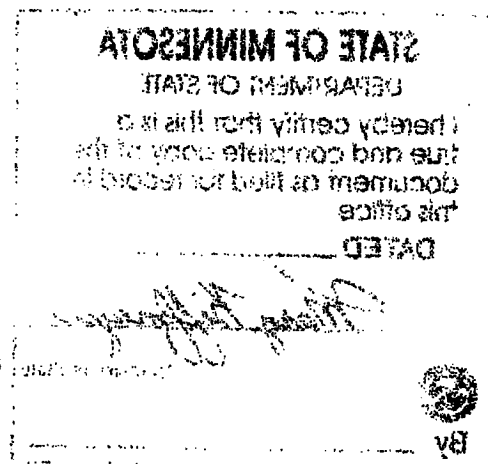


EXHIBIT B

Authority to Transact Business

ACCERIS is obtaining its certificate and a copy will be provided to the Commission as soon as it is issued.

EXHIBIT C

Management Resumes

Principal Managers and Officers of Acceris Management and Acquisition LLC

● Elam Baer, Chief Executive Officer/Chief Manager

- Responsibilities: Management of Acceris Management and Acquisition LLC. Additional duties include deal sourcing, new investment screening, assisting portfolio companies, and negotiating transactions.
- Age 45, Mr. Baer has founded and grown a number of successful companies since starting his business career in 1992. These companies include QAI, Inc. (U.S. based telecommunications reseller), QAI Australia, Inc. (telecommunications reseller), QuikPage, Inc. (web page directory), NewTel Germany (telecommunications reseller), and NewTel Holdings LLC (telecommunications reseller in Ireland, United Kingdom, Switzerland, Spain and Australia). Prior to his business career, Mr. Baer was a lawyer. He received his bachelor's and juris doctorate degrees from the University of Minnesota.

● Laura Conradi Carlson, Chief Financial Officer/ Secretary/Manager

- Responsibilities: All financial reporting, financial statement preparation, cash management, investment valuation, tracking and analysis of portfolio performance, preparing and executing due diligence plans
- Age 34, Ms. Carlson served as controller or CFO of various companies founded by Elam Baer prior to joining North Central. Ms. Carlson also spent five years with Ernst & Young LLP as a senior auditor and two years with a telecom firm as Director of Accounting. Ms. Carlson is an honor's graduate from the University of St. Thomas, where she received a B.A. in Accounting in 1992, and received her CPA in 1993.